



Republican Policy Committee

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For Alabama's Future, President Clinton: Balance the Budget Now!

- For too long, Washington has taxed too much, spent too much, and increased the deficit too much. For the first time in over a generation, Congress set out to balance the budget, and succeeded.
- The President, unfortunately, has failed to balance the budget. Four times this year he's proposed budgets with hundreds of billions of dollars of new debt, that never, ever balance.
- The President even signed a law on November 20, to balance the budget in seven years, using honest numbers. He's had four weeks to uphold the law. Regrettably, so far he's failed, but now, with the government shut down he's promised to obey the law.
- If we don't balance the budget now, we put at risk the future of our children and grandchildren:
 - ▶ Spending on interest on the federal debt will exceed spending on national defense next year — and in just three years, it will cost us more to underwrite the interest on the federal debt than to fund all domestic discretionary spending, such as the FBI, agriculture programs, and the like.
 - ▶ Children born today face a lifetime tax rate of 84 percent to support the nation's debt.
 - ▶ Every child born today already owes \$187,000 just to pay interest on the federal debt.
 - ▶ In seven years, Medicare will go bankrupt, without any rescue package. Our Social Security program will soon thereafter teeter on the edge of crisis, and the federal budget will be gobbled up by spending on four entitlement programs and interest on the federal debt.
- If the President will stop playing political games, honor his word, and obey the law, he must make the necessary tough choices to save our children's future, and offer us a plan which balances the budget now.

If Clinton Keeps His Word...

... The average citizen of Alabama will save:

- ▶ **\$2,300** per year from lower mortgage payments.
- ▶ **\$190** per year from lower state taxes due to lower state and local interest payments.
- ▶ **\$622** per year from lower interest payments on a student loan.

[Source: Citizens for a Sound Economy]

... Alabama families will receive a tax credit that will:

- ▶ Help over **458,000 Alabama taxpayers** with over **830,000 dependents**. That's over **\$350 million per year** staying with these working families.
- ▶ Eliminate the federal income tax bill in our state for over **85,000 taxpayers** with over **213,000 dependents**. That's **\$47 million per year** staying with these working families.
- ▶ Pay for nearly **6 years of tuition** payments at the University of Alabama at Birmingham, if the parents banked the **\$500 tax credit** for 18 years.

[Source: Heritage Foundation]

... State and local governments in Alabama will save:

- ▶ **Over \$300 million** in interest payments over seven years, due to lower interest rates from a balanced budget.
- ▶ That's **\$300 million** available for tax relief, more schools, better roads, and more local police.

[Source: Senate Budget Committee]

If Clinton Doesn't Keep His Word...

- ▶ We can expect **interest rates to increase**.
- ▶ These increases will cost the average American family **\$979 more per year** on their home mortgages, student loans, and car loans, and **\$1,500 in future taxes** to pay for the extra **\$100 billion** in annual interest payments on new federal debt.

[Source: Joint Economic Committee]

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